AMENDED IN ASSEMBLY APRIL 22, 2003

CALIFORNIA LEGISLATURE—2003-04 REGULAR SESSION

ASSEMBLY BILL

No. 1173

Introduced by Assembly Member Haynes

February 21, 2003

An act to amend Section 798.21 of the Civil Code, relating to mobilehomes.

LEGISLATIVE COUNSEL'S DIGEST

AB 1173, as amended, Haynes. Mobilehomes: rent control: exemptions.

Existing law permits local governments to establish rent control, which may apply to a mobilehome park lease that meets specified criteria. Additionally, existing law exempts a mobilehome space from rent control when that space is not the principal residence of the homeowner and the homeowner has not rented the mobilehome to another party. Existing law presumes a mobilehome to be a principal residence unless a review of state or county records demonstrates that the homeowner is receiving a homeowner's exemption for another property or mobilehome in this state. Existing law exempts from the requirement that a mobilehome be a principal residence those mobilehomes that are being actively held available for sale by their owners, among others.

This bill would revise the presumption that a mobilehome is a principal residence, as described above, by removing the provision requiring that the homeowner's exemption be in this further exempting from rent control the mobilehome of a homeowner who is domiciled in another state, if reasonably established by specified information. This

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The bill would also require that a mobilehome being actively held available for sale by the homeowner be actively marketed and advertised for sale in good faith to bona fide purchasers *for value*. The bill would provide that the homeowner has the burden of proving that the mobilehome was actively marketed for sale, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 798.21 of the Civil Code is amended to read:

798.21. (a) Notwithstanding Section 798.17, if a mobilehome space within a mobilehome park is not the principal residence of the homeowner and the homeowner has not rented the mobilehome to another party, it shall be exempt from any ordinance, rule, regulation, or initiative measure adopted by any city, county, or city and county, which establishes a maximum amount that the landlord may charge a tenant for rent.

- (b) Nothing in this section is intended to require any homeowner to disclose information concerning his or her personal finances. Nothing in this section shall be construed to authorize management to gain access to any records which would otherwise be confidential or privileged.
- (c) For purposes of this section, a mobilehome shall be deemed to be the principal residence of the homeowner, unless a review of state or county records demonstrates that the homeowner is receiving a homeowner's exemption for another property or mobilehome in this state or the homeowner is domiciled in another state.
- (d) Before modifying the rent or other terms of tenancy as a result of a review of state or county records or as a result of any information that is available to the management that reasonably establishes that the homeowner is domiciled in another state, as described in subdivision (c), the management shall notify the homeowner, in writing, of the proposed changes and provide the homeowner with a copy of the documents upon which management relied.
- (e) The homeowner shall have 90 days from the date the notice described in subdivision (d) is mailed to review and respond to the

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notice. Management shall-may not modify the rent or other terms of tenancy prior to the expiration of the 90-day period or prior to responding, in writing, to information provided by the homeowner. Management shall-may not modify the rent or other terms of tenancy if the homeowner provides documentation reasonably establishing that the information provided by management is incorrect or that the homeowner is not the same person identified in the documents. However, nothing in this subdivision shall be construed to authorize the homeowner to change the homeowner's exemption status of the other property or mobilehome owned by the homeowner.

- (f) This section does not apply under any of the following conditions:
- (1) The homeowner is unable to rent or lease the mobilehome because the owner or management of the mobilehome park in which the mobilehome is located does not permit, or the rental agreement limits or prohibits, the assignment of the mobilehome or the subletting of the park space.
- (2) (A) The mobilehome is being actively held available for sale by the homeowner, or pursuant to a listing agreement with a real estate broker licensed pursuant to Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, or a mobilehome dealer, as defined in Section 18002.6 of the Health and Safety Code.
- (B) A homeowner attempting to sell a mobilehome by owner shall actively market and advertise the mobilehome for sale in good faith to bona fide purchasers *for value* in order to remain exempt pursuant to this subdivision.
- (C) In any action to enforce the provisions of this section, the homeowner shall have the burden of proving that the mobilehome was actively marketed for sale as required by this paragraph.
- (3) The legal owner has taken possession or ownership, or both, of the mobilehome from a registered owner through either a surrender of ownership interest by the registered owner or a foreclosure proceeding.